

DETAILED ACTION

Status of the Claims

1. This action is in response to the response filed on November 23, 2009. Claims 8, 10-15, 18, 19, and 36 are pending and examined. Claims 9, 19-22 are canceled. Claims 1-7, 16, 17, and 23-35 are withdrawn. This action is **Final**.

Response to Arguments

2. Applicant's arguments filed November 23, 2009 have been fully considered but they were not persuasive. It is hoped that the added claim interpretation will make clear the difference between the prior art and the invention.

3. As for borrowing not involving selling anything since a loan is an obligation to pay back an amount of money normally with interest it is at minimum selling an obligation to pay the money back.

4. Since Applicant(s) did not seasonably traverse the Official Notice statement(s) as stated in the previous Office Action (7/21/2009, Paragraphs No. 10 and 11), the Official Notice statement(s) are taken to be admitted prior art. See MPEP §2144.03.

Claim Interpretation

5. A capital raiser is someone who is selling something which can include an obligation to pay money back in the future (a debt). A capital management order is an order to buy something which can include debt. Here is the examiner's interpretation of what each point in claim 8 means.

- I. There is some kind of electronic exchange for orders involving financial instrument A.
- II. Client terminals U, V, W, X, Y, and Z.

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III. Financial instrument A is composed of B + C.

IV. i. U wants to sell A, has a desired volume of B = ub and a desired price range of B = UB; has a desired volume of C = uc and a desired price range of C = UC.

ii. V wants to buy B, has a desired volume of B = vb and a desired price of B = VB.

iii. W wants to buy B, has a desired volume of B = wb and a desired price of B = WB.

iv. X wants to buy B, has a desired volume of B = xb and a desired price of B = XB.

v. Y wants to buy C, has a desired volume of C = yb and a desired price of C = YC.

vi. Z wants to buy C, has a desired volume of C = zc and a desired price of c = ZC.

- a. Compare the orders and pick the most advantageous valid order for B.
- b. Complete the transaction to trade B.
- c. Compare the orders and pick the most advantageous valid order for C.
- d. Complete the transaction to trade C.

Claim Rejections - 35 USC § 103

6. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said

subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

7. Claims 8 and 18 are rejected under 35 U.S.C. 103(a) as being unpatentable over Stallaert in view of "Order driven trade in London" (by Chris Bates in Financial Regulation Report; January 1998, pages 11 [2 pages], hereafter Bates).

As per claim 8 Stallaert teaches:

A financial transaction server for supporting financial transactions executed by a plurality of client terminals of a plurality of users,
wherein:

(I) the financial transaction server is connected to a database storing data regarding capital raising and capital management by means of a financial instrument A, and to the client terminals; (*see at least Figure 7. The bundle trading processor is the server, the limit order table is the database, the web client represents the client terminals.*)

(II) the client terminals include a client terminal of a user U, a client terminal of a user V, a client terminal of a user W, a client terminal of a user X, a client terminal of a user Y, and a client terminal of a user Z; (*see at least Figure 7. The bundle trading processor is the server, the limit order table is the database, the web client represents the client terminals.*)

(III) the financial instrument A can be unbundled into a constituent B and a constituent C; (*see at least column 2 lines 47-54. Recombining assets inherently includes unbundling them from their original bundles so they can be recombined.*) and

(IV)

(i) a capital raising order u is stored in the database, the capital raising order u being sent from the client terminal of the user U that desires to execute capital raising by means of the financial instrument A, the capital raising order u having order information specified by the client terminal that includes a desired capital raising volume ub and a desired capital raising numerical value range UB on the constituent B, as well as a desired capital raising volume uc and a desired capital raising numerical value range UC on the constituent C,

(ii) a capital management order v is stored in the database, the capital management order v being sent from the client terminal of the user V that desires to execute capital management by means of the constituent B, the capital management order v having order information specified by the client terminal that includes a desired capital management volume vb and a desired capital management numerical value VB on the constituent B,

(iii) a capital management order w is stored in the database, the capital management order w being sent from the client terminal of the user W that desires to execute capital management by means of the constituent B, the capital management order w having order information specified by the client terminal that includes a desired capital management volume wb and a desired capital management numerical value WB on the constituent B,

[iv) a capital management order x is stored in the database, the capital management order x being sent from the client terminal of the user X that desires to execute capital management by means of the constituent B, the capital management

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order x having order information specified by the client terminal that includes a desired capital management volume xb and a desired capital management numerical value XB on the constituent B,

(v) a capital management order y is stored in the database, the capital management order y being sent from the client terminal of the user Y that desires to execute capital management by means of the constituent C, the capital management order y having order information specified by the client terminal that includes a desired capital management volume yc and a desired capital management numerical value YC on the constituent C, and

(vi) a capital management order z is stored in the database, the capital management order z being sent from the client terminal of the user Z that desires to execute capital management by means of the constituent C, the capital management order z having order information specified by the client terminal that includes a desired capital management volume zc and a desired capital management numerical value ZC on the constituent C, (see *at least column 2 lines 65-column 3 line 1*. The bundle to be acquired is the price of the bundle being sought to be disposed of. See *column 1 lines 56-59*. Assets to be traded include money) and wherein said financial transaction server:

[a] compares the capital raising order u, the capital management order v, the capital management order w, and the capital management order x as objects of matching in the database, and determines, in a case where each of the desired capital management numerical value VB, the desired capital

management numerical value WB, and the desired capital management numerical value XB falls within the desired capital raising numerical value range UB, which is most advantageous to the side that desires to execute capital management, i.e., which is the most favorable, to a prospective capital manager, of the desired capital management numerical value VB, the desired capital management numerical value WB, and the desired capital management numerical value XB;

(b) sets the desired capital management numerical value XB as the sole fixed capital raising numerical value XB for the constituent B in a case where it is determined that the desired capital management numerical value XB is the most favorable to a prospective capital manager, executes the capital raising and capital management between the capital raising order u, the capital management order v, the capital management order w, and the capital management order x, and updates each of the desired capital raising volume ub, the desired capital management volume vb, the desired capital management volume wb, and the desired capital management volume xb in the database based upon the contents of the executed capital raising and capital management;

(c) compares the capital raising order u, the capital management order Y, and the capital management order z as objects of matching in the database, and determines, in a case where each of the desired capital management numerical value YC and the desired capital management numerical value ZC falls within the desired capital raising numerical value range UC, which is more favorable, to the

user U, of the desired capital management numerical value YC and the desired capital management numerical value ZC; and

(d) sets the desired capital management numerical value YC as a fixed capital raising numerical value YC for the constituent C in a case where it is determined that the desired capital management numerical value YC is more favorable to the user U than is the desired capital management numerical value ZC, executes the capital raising and capital management between the capital raising order u and the capital management order y, and updates each of the desired capital raising volume uc and the desired capital management volume yc in the database based upon the contents of the executed capital raising and capital management. (see *at least column 2 lines 65-column 3 line 1*. The bundle to be acquired is the price of the bundle being sought to be disposed of.

See at least column 1 lines 56-59. Assets to be traded include money)

While Stallaert teaches matching and trading of assets including unbundling it does not explicitly teach having ranges to match but Bates teaches an exchange that includes limit orders such as fill or kill with price limits that must be filled immediately in full or they are not executed at all which is setting a range for both price and volume. Therefore it would have been obvious to a person of ordinary skill in the art at the time the invention was made to include such features with an expectation of success.

As per claim 18 Stallaert teaches the trading of equities and other assets. (see *at least column 1 lines 55-59 and column 2 lines 30-35*)

As per claim 36 Stallaert teaches the trading being done by computers. (see at least column 18 lines 16-22)

8. Claims 10 are rejected under 35 U.S.C. 103(a) as being unpatentable over Stallaert in view of Bates and Silverman et al. (U.S. Patent 5,924,082 hereafter Silverman).

As per claim 10 while Stallaert does not specifically address negotiated transactions establishing contact between the two parties to the transaction for negotiating the orders Silverman taught negotiating the orders to other terminals to give them the chance to negotiate over the proffered terms making a trade. (see at least *Silverman abstract*) Therefore it would have been obvious to a person of ordinary skill in the art at the time the invention was made to disclose the bids to other terminals to encourage trading.

9. Claims 15 are rejected under 35 U.S.C. 103(a) as being unpatentable over Stallaert in view of Bates and Shkedy (U.S. Patent 6,236,972 B1) and Official Notice.

While Stallaert does not explicitly address providing self introduction materials or proposal information the information on the bundles available would qualify as capital management reference data. Shkedy teaches storing the prospectuses (see at least *Shkedy column 10 lines 1-2*) which would qualify as the capital raiser introduction and the proposal. Official Notice is taken that it is old and well known in the art of finance for investors to have introducing materials historically a letter of introduction from a rich noble evolved into a letter of credit from a bank to signify that an individual had the

capital to complete a bigger deal than their cash on hand would indicate. Therefore it would have been obvious to a person of ordinary skill in the art of raising capital to have references describing the assets and liabilities being traded and those doing the trading to make sure that they can meet the obligations they are creating.

10. Claims 11-14 are rejected under 35 U.S.C. 103(a) as being unpatentable over Stallaert in view of bates and Official Notice.

As per claims 11-14 while Stallaert does not specifically address settlement it is old and well known in the art of electronic trading to store settlement information in a database that includes funds account numbers, fund account balances, and margin requirements. An obvious examples are E*trade and Instinet (see *at least column 1 lines 18-30*) but any electronic brokerage would require such a settlement system to complete trades (a cited example is Shkedy column 10 which may be evidentiary support for settlement). Stallaert does include database tracking each bundle and does notify each bidder when their bundle is traded. Therefore it would have been obvious to a user of ordinary skill in the art at the time the invention was made to include a settlement system to finalize trades made on the system.

Conclusion

11. Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the date of this final action.

12. Any inquiry concerning this communication from the examiner should be directed to Scott S. Trotter, whose telephone number is 571-272-7366. The examiner can normally be reached on 8:30 AM – 5:00 PM, M-F.

13. If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, James P. Trammell, can be reached on 571-272-6712.

14. Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

15. The fax phone number for the organization where this application or proceeding is assigned are as follows:

(571) 273-8300 (Official Communications; including After Final Communications labeled “BOX AF”)

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(571) 273-6705 (Draft Communications)

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/James P Trammell/
Supervisory Patent Examiner, Art Unit 3694